

bank financing is often not available. Under an installment sale, the buyer makes a down payment up front and pays for the rest of the business over a period of years. Such sales grant greater flexibility to both the buyer and seller and have enabled thousands of Americans, who would otherwise be unable to buy a business, the opportunity to make their dream of small business ownership a reality.

Last year the President proposed, and Congress accepted as part of larger tax package, a provision to repeal the use of installment sales for certain taxpayers. This provision appeared to target larger businesses when they sold a particular asset or assets. Small business groups, Congress, and even the administration did not expect the serious effect this provision would have on small businesses across America. Unfortunately, the unintended consequences are now a reality and it is our job to fix the problem. Our legislation will do just that, by once again allowing businesses to make use of installment sales.

Mr. Speaker, this is not a theoretical discussion. The burden being felt by small business owners across America is all too real. It is affecting taxpayers such as Harold and Mary Owens who own a small family business in my district in Redding, CA. They have built up their business through 12 years of hard work and are counting on the sale of this business to provide for their retirement. To pull the rug of retirement security out from under them at this time is simply wrong. And this is just one example out of the thousands of businesses each year which will see the value of their businesses eroded if our legislation is not enacted.

I was hopeful that the President would propose a solution to this problem in his fiscal year 2001 budget, released just yesterday. While I am disappointed that the President's budget does not address this important issue, I remain hopeful that all of us—both Republican and Democrat—will work with the administration to fix this situation on behalf of our Nation's small businesses.

I am pleased by the support our effort has received so far. The legislation we are introducing has more than 70 bipartisan cosponsors. Furthermore, a coalition of more than 50 groups—including the National Federation of Independent Business, the US Chamber of Commerce, the National Association of Realtors, and the National Taxpayers Union, among others—has made enactment of our legislation a top priority this year.

Mr. Speaker, we owe it to small businesses and women across America to have a tax code which treats them fairly. It is imperative that we pass the Installment Tax Correction Act this year, and I urge all my colleagues to join this worthy, bipartisan effort.

#### WORKPLACE GOODS JOB GROWTH AND COMPETITIVENESS ACT OF 1999

SPEECH OF

**HON. TOM BLILEY**

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 2, 2000*

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 2005) to establish

a statute of repose for durable goods used in a trade or business:

Mr. BLILEY. Mr. Chairman, I rise in support of H.R. 2005, the Workplace Goods Job Growth and Competitiveness Act.

As Chairman of the Commerce Committee, I have worked on numerous liability reform bills to try to bring some balance and fairness back into our legal system. Lawsuits continue to be filed at a record pace. But consumers somehow are still ending up with the short end of the stick as they pay more and more money in legal fees and higher product prices, while the trial lawyers run around the country searching for ever higher payoffs and contingency fees to line their own pockets. Unfortunately, our basic values of responsibility and integrity have been left behind in this race to the courthouse.

H.R. 2005 establishes critical protections for American manufacturing jobs by establishing a uniform guarantee for durable goods used in the workplace. It says that manufacturers have to stand behind their product for 18 years. After that, responsibility for using the product passes to the product owner to determine the further useful life of the product. The bill only applies where the plaintiff is eligible for workers compensation, essentially transferring liability for a durable good from the manufacturer to the product owner after the 18 year time period.

Nineteen States have a shorter time period for product life cycles, varying from State to State. Thirty-One States haven't yet enacted liability limits, although several of these States that have tried have watched them be struck down by the Courts as not within the power of the State legislatures. This creates a crazy patchwork of laws for a company trying to sell nationwide—a patchwork full of loopholes allowing enterprising trial lawyers to forum shop for the State with the weakest laws. This is an abuse and corruption of our legal system, which only Congress has the power to restrain.

The Japanese and the European Union have set a 10 year liability time limit on the useful life of their durable goods—guaranteeing only half the useful life for their products that we are allowing. But without this bill, Japanese and European manufacturers that are new entrants into the American market won't have the same long tail liability exposure as American companies. This means that they pay less for claims-made liability insurance, giving them an unfair competitive advantage, taking jobs away from Americans and transferring them overseas. We can not allow this to continue.

In addition to the 19 States and our foreign competitors who have recognized the need for a limit on a product's useful life, we have a proven track record in Congress of success in enacting uniform liability reforms. In 1994, Congress established a similar 18 year time limit on liability to save jobs in the aviation industry. We had the same doom and gloom predictions from many Members back then that the sky was falling for worker protection, but guess what—the law works well, it revitalized a disappearing industry, and it has earned wide scale support over the last five years. In fact, that bill, with the same type of liability limit that we're talking about today, created over 25,000 new jobs in the aviation industry alone. I would rather protect the hard working wage earners of America than the

contingency fee jackpot hopes of a few trial lawyers.

Despite the claims you heard in the debate on this bill, no worker will be denied compensation as a result of this reform. The liability limits only apply where the plaintiff has full access to workers compensation. The critics of the bill aren't talking about compensation, they are talking about punishing companies by pushing them into bankruptcy for something that was made generations ago by workers long since retired. The trial lawyers don't ever want a business to be able to limit the life-span of a product. They don't want businesses to be able to say that after 18 years the responsibility for determining whether a product is safe should rest with the product owner. Responsibility is a dirty word to these people because it eliminates potential deep pockets that they can go after to extort settlement money. Keep in mind that this bill doesn't in any way limit the responsibility or liability of the employer—it only takes away the deep pocket manufacturer after 18 years from a product's first sale. Many of the Members who have opposed this simple notion of responsibility have opposed every single effort at liability reform in Congress.

Last November, our Committee agreed to discharge this bill to bring it to the floor as quickly as possible. We recognized the importance of protecting American jobs and bringing fairness and responsibility back into our legal system.

This bill was taken from legislation negotiated in previous years on a bipartisan, bicameral basis with the Administration. The provisions are the result of years of bipartisan work by the Commerce Committee and the Judiciary Committee on legal reform. Past product liability bills containing these provisions have received strong majorities in both Houses.

I thank the gentleman from Ohio for his work in bringing this piece of the product liability bill forward, and urge your support for its passage.

#### WE ALL HAVE A RESPONSIBILITY IN THE FIGHT AGAINST DRUGS

**HON. BENJAMIN A. GILMAN**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, February 8, 2000*

Mr. GILMAN. Mr. Speaker, at today's important international drug summit conference sponsored by you, along with the United Nations Drug Control Program (UNDCP), I had the opportunity at the morning session to raise the issue of the world's contribution to the U.N. in our fight against the scourge of illicit drugs.

Regrettably, when we examine the record of contributions to the UNDCP, we observe that less than 25 nations and the European Commission contribute less than \$75 million annually to help fight an illicit narcotics trade estimated to produce \$400 billion annually.

The list of those helping this very modest UNDCP program, the glaring absence, for example, of any Middle East nation making contributions to help fight drugs, is noteworthy and disappointing.

Attached for the RECORD is the latest data on the contributions by the producer, transit or